



Changing the Culture of City Hall: Interview with Seoul Mayor Se-hoon Oh

With a population of over 20 million people, the Seoul metropolitan area is one of the world's largest urban centers, and one of Asia's most developed mega-cities. On August 19th, Seoul Mayor Se-hoon Oh sat down with *Global Asia* Managing Editor David Plott to discuss his views on municipal governance.

OH BELIEVES CITY GOVERNMENTS have a major role to play in battling climate change, as well as improving the lives of ordinary citizens, attracting international investment, and promoting culture. Successful city governance, though, requires a change in the way public officials carry out their jobs, which is why he has focused so much attention on creating a new work culture in Seoul's metropolitan government, he says.



What do you see as the main challenges for a mega-city such as Seoul over the next 20 years, and which of these challenges are unique to Seoul and which are common to all mega-cities?

Oh The common issue for mega-cities and Seoul today is how to create a sustainable city. If I have to mention one issue that is unique to Seoul, it must be the balanced development between the *Gangnam* and the *Gangbuk* area. *Gangnam* refers to the southern part of the *Hangang* (Han River) and *Gangbuk* is the northern part of the Han River. As you may know, Seoul is divided into two parts by the river — *Gangbuk* is the old town and *Gangnam* is the new town. In the new town, we have more infrastructures that make life more convenient. It is our major challenge to develop this underdeveloped region of *Gangbuk* to the level of the new town, *Gangnam*.

You mentioned that sustainability is the critical issue in managing cities. I want to ask you about four areas that in one way or another revolve

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around that issue — energy use, transportation, environmental sustainability, and housing. What do you see as the key policy issues here in Seoul in those areas?

Oh These four issues are very important for cities around the world. I will keep my answer short and simple. I want to correct a common misunderstanding in our society. Many people consider these issues as a national agenda, but I think, in fact, cities have to play the key role in resolving these issues. For instance, about 80 percent of global CO₂ emissions come from cities. Half of them come from transportation and the other half from heating and air-conditioning of buildings and houses. So when leaders of countries gather together, they usually come up with very abstract declarations for the sake of a declaration. But when city leaders gather together, we tend to come up with more concrete, specific and practical solutions. Last year in New York, the mayors from 40 cities around the world gathered together and came up with a declaration on building retrofit systems. This means that, by raising energy efficiency of old buildings through renovation, we save energy and reduce pollution. This is a win-win-win system for the three parties — the regional government, financial institutions, and owners of buildings. For instance, banks would lend

money to building owners. With that money, building owners would renovate their buildings thereby reducing their energy consumptions. With the money saved from that reduced energy consumption, they can repay the bank. And the regional government connects these two parties. This meeting of mayors is a biannual event and we are going to hold that meeting here in Seoul next year. As the host city, we must produce some tangible results here.

Since cities, in your view, have the major task battling issues like global warming, what else can municipal governments do?

Oh I gave you one example of the CO₂ emissions from buildings and houses. Now I would like to give you another example from the transportation sector. We need to encourage the use of public transportation, because most CO₂ emissions come from passenger cars. And it is important to reduce CO₂ emissions from all types of vehicles, and this is a pending issue for many cities around the world. For example in Seoul, 30 percent of all CO₂ emissions come from buses. And we have about 7,700 buses in the city, which used to run on diesel in the past. I have a plan to replace these diesel buses with CNG (compressed natural gas) buses within my term. About 65 percent of buses have al-

¹ *Chunggaechun* (Stream) is a waterway that flows through the heart of Seoul's old town. In 2003, Seoul Metropolitan Government launched an initiative to restore the stream to create an ecological culture and leisure space in the heart of Seoul's old town. This is one of the 21st century's best examples of ecologically friendly urban renewal.

ready been replaced and, of course, it took a lot of money to do this. Still, this project is under way without a problem. If we succeed in this project, we will not only be able to reduce CO2 emissions, but also reduce fine particles in the air, thereby improving air quality dramatically. Cities such as San Francisco and Tokyo have similar projects in operation and have almost completed them. When large cities are pursuing these kinds of projects, this will not only contribute to the resolution of global warming, but also to the health of citizens by improving air quality.

Given the size of Seoul, one of the things that strikes visitors is simply how massive the metropolitan area is, with more than 20 million people. What do you think are the essential policy ingredients in managing a city of this size? How does that differ from smaller cities?

Oh Regardless of the size of a city, I believe that cities with more than 3 million population are faced with common issues. In order to solve these issues, in order to secure a higher quality of living and in order to survive in the competition among cities around the world, I think the most important thing is whether public officers of the city government are passionate about their work. I think this is important for both smaller cities and larger cities. I have started to emphasize what I call "creative city administration" since my term in office. The key part of "creative city administration" is making sure that public officers are not only engaged in the missions that are given to them but also think and work for themselves and seek to find better ways of doing their job.

As you know, the Seoul Metropolitan Government is quite a large organization, and it is impossible to operate this organization with just a few key concepts. So I thought what was impor-

tant was to fundamentally change the attitude of our public servants, so that they can do their work in a more creative manner. So we have been putting a lot of effort into developing the "creative proposal system" (that encourages municipal workers to give us their ideas for solving problems), which is closely related to the personnel and promotion system of the city government. I have made a lot of changes in the personnel and promotion system of the city government. After being in place for two years, the systems have settled in, and recently we are seeing a rapid increase in the satisfaction level of our civil services and we are also seeing increased integrity among civil servants and increased performance in the anti-corruption index. I firmly believe that cities can carry out their tasks more efficiently when they have strong basic "software."

And this has something to do with the unique atmosphere in Korea at the time I took office two years ago. As you may know, the former Mayor of Seoul was very successful in a "hardware project," the *Chunggaechun* (Stream) restoration project¹, which got global attention. During the presidential campaign, the hardware project was overemphasized and even became what we can call a "syndrome." People started to take it for granted that somebody who is in charge of a big city like Seoul should engage in large projects like the *Chunggaechun* project and whether he does it or not became the one and only important standard or criterion. So, I was under a lot of pressure when I took office. People were expecting big hardware projects from me as well. But I thought what was more important was to go back to the basics of city administration and remind our citizens of the importance of such basics. So I thought I had to remind everybody of what is important in the longer perspective. That is why I have been focusing on basic [human, or software]

infrastructure. After two years now, I think it is pretty much completed and I am receiving some favorable responses from the opinion leaders of Korean society.

Can you talk more specifically about what it is that you want to change in the behavior of public officials in Seoul, and how you affect that change. I am sure that plenty of other mayors too are facing the same problem.

Oh First of all, what I think is important is my belief that competition equals competitiveness. For public officers, what is most important for them is getting promoted and, in other words, getting incentives. So we are giving incentives to the public officers who are trying new things and the incentives are closely related to promotion and personnel. I have responsibility for the personnel management of about 10,000 officers of the Seoul Metropolitan Government, and from these 10,000 people, we had about 70,000 creative proposals and suggestions in the last two years, and 1,300 ideas are now being actually implemented. In addition, in the past the promotion system was based on seniority, but now it is performance-based. For example, it used to take about 11 years for a Level 6 public officer to be promoted to a Level 5, but last year, for 25 out of 50 who were promoted, it took only 6 years and 5 months. This is the incentive system that we have. On the other hand, there is also a “disincentive” system. In this country as in many other countries, public officers usually have higher job security, and even if they are a little idle and a little incompetent they can still keep their jobs until they reach the retirement age. But we have adopted a new retraining, reeducation system for the one percent of incompetent and idle public officers, and they go through a very hard retraining. Last year, about 50 percent of them survived this hard retraining course, which means

50 percent of them just left after this program and the other 50 percent came back to their jobs. So, I’ve mentioned the two different systems of “incentives” and “disincentives,” and I think it is important that we encourage competition and that we create an environment where public officers look for the job they want to do instead of doing what they are told to.

I need to explain one more thing. At the Seoul Metropolitan Government, the personnel department is not the only department that is in charge of personnel affairs. For instance, we have a “draft system” and a “headhunting system” for our personnel affairs. And in spring of this year, we had about 4,000 people who had to move to other departments after staying in certain departments for more than two years, and what we did was to put them out in the job market so that the directors or general directors of each department could pick out the people they want to work with. So after the first, second and third drafts, those who are not chosen by the directors had to go through the rehab program that I have mentioned, and this means that we have a perfect competition system within our city government. Our public officers are having difficult times and there are a lot of complaints but everybody agrees that we have increased our efficiency through this competition. To sum up, this kind of competition-oriented personnel system has created a new organizational culture and a new atmosphere in our government.

You mentioned earlier that this approach to addressing the behavior of public servants has received a popular response from the public. How do you define the well being of citizens or residents of Seoul? And what role does municipal government play in that as opposed to the private sector?

Oh A month ago was the halfway point of my term in office. So far I have been focusing on building basic infrastructure and launching major initiatives. But from now on, I am going to emphasize, what I would like to call “city administration in everyday lives.” Now, let me explain what this is about. If there is anything inconvenient for our citizens, we will elimi-

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nate that. If there is anything unpleasant, we will make sure to eliminate that as well. If our citizens feel insecure or unstable, I will make sure that they feel stable and secure. To sum up, I've been focusing on macro issues so far until the halfway point of my term in office and from now on, I will start to focus on micro issues. I believe that convenience, pleasure and security are the three most basic needs of our citizens. When they have these needs satisfied, they will think that our public officers are doing their jobs right and everything is going well at the city hall. Especially, when they have civil complaints, we want to make sure that our public officials react swiftly, kindly and without corruption so that their work will be appreciated and acknowledged by our citizens. As I said, we are seeing a major increase in the satisfaction rates of our civil services and we want to see more tangible and substantial changes in civil services. I believe that this is the way to increase the happiness level or well-being of our citizens.

I'd like to turn to a different topic. How important is culture to the life of a city and what role, if any, does municipal government play in fostering culture?

Oh This year, I have come up with the new concept, "Culture-nomics." And I announced this year is the first year of "Culture-nomics" in Seoul. As you may know, since the founding of the Republic of Korea sixty years ago, we have been considered a country that has achieved democratization and economic growth in the shortest period of time very successfully. However, because we have focused too much on practical issues, it is true that culture was somewhat ignored. What is fortunate is Korea already has a strong foundation of culture and art, which come from our long history. As you know, culture and art cannot be created overnight. However, we've not been very earnest in selling and marketing the abundant cultural heritages we have so far. And I am sure that everybody knows that in the 21st century, the most important part of "soft power" is attractiveness. I am sure that the readers of this magazine would know it better than anyone else. Prof. Joseph Nye said that attractiveness is the key to national competitiveness. I am sure everybody would also agree that culture is the key factor that can promote the attractiveness of a country or city. I think this has now become a common notion in urban or national management. So, through this "Culture-nomics," I want to create high added value based on culture and I want to increase the attractiveness of the city of Seoul. When we say a city is attractive, it means that people want to visit the city and do business in the city. And attractiveness also leads to better quality of living for our citizens and enhanced competitiveness. I am sure everybody would agree with me on that. In this regard, we came up with many different programs for low-income families so that they can

enjoy culture at affordable prices. And I call this the “culture bomb.” It is my goal to make culture closer to our citizens like water and air in their everyday lives and I am seeing the social consensus for this building. If we continue to make investments for the next five to ten years, and create the brand value as a city of culture by international standards, I am sure that culture will greatly contribute to enhancing both the city’s competitiveness and the quality of living for our citizens.

Seoul is obviously in competition with other cities in this region and the world for foreign investment, business, tourism, financial markets, and capital. What advantages does Seoul have compared to the other great cities in Asia and the world — particularly those in Asia such as Hong Kong, Beijing, Shanghai, and Singapore? Finally, as you look at your competitors, what do you learn from them, and what do you think Seoul has to teach them?

Oh Most of the time, truth is very close to us. If we want to make a city competitive, we want to make sure people, money and information come to the city. The attractiveness of a city is what makes it competitive. In this regard, I think we have something to learn from all our rival cities. As a municipal government, we must create a city where high quality human resources, or the white-collar workers, would want to move with their businesses and their families. We need to create an environment where people want to come and live. There are two obstacles in this regard. First of all, there is an impression that in Seoul, English is not widely spoken and that in Seoul, the cost of living is expensive. To get rid of these negative impressions, first, we have adopted lease housing for international residents in Seoul, and second, we are making sure that the children of international business people can get education that is better or at least equal to education in their home countries. So what we are doing is providing incentives and support for international schools that wish to be established in Seoul. Third, when the international residents get sick and go to hospital, they should be able to communicate with doctors

without any problem and they should be able to receive adequate medical care as fast as possible. Lastly, I think they should be able to enjoy culture and art on weekends with their families. In order to become a financial hub, which you have mentioned, we have to have a great living environment for international residents. The investors invest in the city where they want to come and live in. And creating such an environment is the job of the municipal government. When they have little inconveniences in their everyday lives in a city, people tend to be reluctant to invest in the city. So we have a system in place where we hold regular town meetings of international residents here in Seoul so that we can hear their problems and we can reflect their ideas in our city administration. These are the most basic and practical solutions in order to make a city more competitive.

Given the size of the Seoul metropolitan area in relation to the rest of the population of South Korea, do the needs of Seoul exert a disproportionate influence on national politics in Korea?

Oh In fact, there is an imbalance in a sense that is quite opposite to how you put it. For instance, in Korea, regional governments have a bigger say and louder voices. They are still holding on to the paradigm of the 70s and 80s when manufacturing industries were leading economic growth. That is why we have had so many regulations in the metropolitan area for the past 20 years. Now these regulations have become obstacles for Seoul in its competition with other creative cities around the world. As you know, now we are moving from a knowledge-based society to an era of creative and emotion-oriented industries and in such an era, I think it would be unfair if you had to pay higher taxes just because you have a business or an office in Seoul. I think this is something we need to change.

Se-hoon Oh is the Mayor of Seoul.